GALP ENERGIA IN A TRANSFORMATIONAL PHASE

**Working interest production**
- 2008: 15 kboepd
- Target: 150 kboepd
- Increase: 10x

**Diesel production**
- 2008: 100 kboepd
- Target: 140 kboepd
- Increase: +40%

**Sales to direct clients**
- 2008: 94
- Target: 100

**Natural gas supply**
- 2008: 6 Bcm
- Target: 12 Bcm
- Increase: 2x

---

1 Pro-forma basis with AGIP and ESSO acquisitions
VERY STRONG RESOURCE GROWTH

- Level of resource base already allows to reach a target production level of 150 kboepd on a reliable basis
- Existing quantified resource base equivalent to 73 years of production at 150 kboepd
- Current resource base ready to expand due to additions from existing prospects with further studies and exploration work

Galp Energia resource base

1 According with Degolyer and MacNaughton report
INTENSIVE EXPLORATION WORK UNTIL 2013

- Almost 12,000 Km² of active net exploration area, out of a total area of 68,000 Km²

- Galp Energia’s exploration works to be intensive in the next five years

- Still a major part of Galp Energia’s portfolio subject to drilling works
## A VERY INTENSIVE DRILLING PROGRAM IN 2009

<table>
<thead>
<tr>
<th>Block / Basin</th>
<th>Operator</th>
<th>% Galp Energia</th>
<th>Seismic</th>
<th>Drilling Campaign 2008</th>
<th>Drilling Campaign 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Block 14</td>
<td>OFS Chevron</td>
<td>9%</td>
<td>-</td>
<td>-</td>
<td>22 D 2 E 1 A</td>
</tr>
<tr>
<td>Block 32</td>
<td>OFS Total</td>
<td>5%</td>
<td>-</td>
<td>-</td>
<td>2 A - 3 A</td>
</tr>
<tr>
<td>Angola LNG II</td>
<td>OFS Sonagás</td>
<td>10%</td>
<td>3D</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>BM-S-8</td>
<td>OFS Petrobras</td>
<td>14%</td>
<td>-</td>
<td>1 A</td>
<td>1 E -</td>
</tr>
<tr>
<td>BM-S-11</td>
<td>OFS Petrobras</td>
<td>10%</td>
<td>3D</td>
<td>-</td>
<td>2 A 1 D 1 E</td>
</tr>
<tr>
<td>BM-ES-31</td>
<td>OFS Petrobras</td>
<td>20%</td>
<td>-</td>
<td>1 E</td>
<td>-</td>
</tr>
<tr>
<td>Potiguar</td>
<td>OFS Petrobras</td>
<td>20%</td>
<td>3D</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Campos</td>
<td>OFS Petrobras</td>
<td>15%</td>
<td>3D</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Pernambuco</td>
<td>OFS Petrobras</td>
<td>20%</td>
<td>3D</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Potiguar</td>
<td>ONS Petrobras / Galp</td>
<td>50%</td>
<td>-</td>
<td>8 A</td>
<td>8 E 2 A</td>
</tr>
<tr>
<td>Sergipe / Alagoas</td>
<td>ONS Galp</td>
<td>50%</td>
<td>-</td>
<td>2 E 1 A</td>
<td>3 E -</td>
</tr>
<tr>
<td>Espírito Santo</td>
<td>ONS Petrobras / Galp</td>
<td>50%</td>
<td>-</td>
<td>1 E</td>
<td>-</td>
</tr>
</tbody>
</table>

**Legend:**
- E – Exploration well
- A – Appraisal well
- D – Development well

---

**Angola**

**Brazil**
## Setting up Angolan Assets for Production

### Projects Pipeline

<table>
<thead>
<tr>
<th>Block</th>
<th>Projects</th>
<th>Start-up</th>
<th>Peak Production</th>
</tr>
</thead>
<tbody>
<tr>
<td>14</td>
<td>Tombua-Lândana</td>
<td>2009</td>
<td>120 – 140</td>
</tr>
<tr>
<td></td>
<td>Lucapa</td>
<td>2014</td>
<td>100 – 130</td>
</tr>
<tr>
<td></td>
<td>Malange</td>
<td>2014</td>
<td>20 – 40</td>
</tr>
<tr>
<td></td>
<td>Gabela</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td></td>
<td>Negage</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>14K</td>
<td>Lianzi</td>
<td>2012</td>
<td>40 – 50</td>
</tr>
<tr>
<td>32</td>
<td>Hub 1</td>
<td>TBD</td>
<td>TBD</td>
</tr>
</tbody>
</table>

### Crude Production

<table>
<thead>
<tr>
<th>Year</th>
<th>Working Interest Production</th>
<th>Net Entitlement Production</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>15</td>
<td>10</td>
</tr>
<tr>
<td>2011</td>
<td>26</td>
<td>18</td>
</tr>
<tr>
<td>2013</td>
<td>22</td>
<td>16</td>
</tr>
</tbody>
</table>

- Tombua-Lândana field from Block 14 is the major contributor to increase production
- Lianzi to initiate production in 2012
- BBLT production gradually declining, from 2010 onwards

---

1. Galp Energia estimates
2. For 100% of the project (kboepd)
FIRST OIL FROM TUPI IN 2Q 2009

Extended well test

- Initiating production in 2Q 2009
- Production expected to reach 14 kboepd, limited by gas handling constraints

Project Tupi-1 already approved

- Galp Energia expected capex over $350 Mln
- Major contracts awarded
- Oil processing capacity: 100 kboepd
- Gas treatment capacity: 4 Mm³/d
- 216 km of gas pipeline to Mexilhão already contracted
- Production late 2010
BRAZIL BECOMING THE KEY PRODUCING AREA

- Tupi pilot project production will be the major contributor to production growth, from 2011 onwards

- Onshore Brazilian production to ramp up in 2013

- EWTs of Iara, Bem-te-vi, Caramba and Jupiter to start in 2012/2013
• Production to benefit from continued growth in Angola with projects as Lucapa, Malange, Block 32, etc

• Brazil ramp up boosting production at double digit levels with Tupi, Iara, Jupiter, etc

• Long-term add-on from Venezuela not yet included in estimates
• The bulk of the capex is focused in development works in offshore Brazil and Angola

• Exploration works in offshore Brazil with material relevance

• Constant growth in terms of EBITDA Usd per bbl

• Production growth driven by first production module from Tupi
REFINING ASSETS TO TAKE ADVANTAGE OF HIGHER DIESEL DEMAND

- Europe to continue short on diesel
- Demand for middle distillates should remain strong on a relative basis, boosted by economic recovery in medium-term

Europe product supply balance

<table>
<thead>
<tr>
<th>Year</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>(1,189)</td>
</tr>
<tr>
<td>2013</td>
<td>(1,402)</td>
</tr>
</tbody>
</table>

Upgrade projects economics

- Execution of the conversion project on time and on cost
- Capex of €1.3 Bln
- Increase of capacity utilization towards 95%
- Flexibility to change yield, depending on market dynamics and crude diet
- Target to reduce own consumption from 8.2% to 7.1% through the energy efficiency project
- Refining margin to increase by at least $4.5/bbl in 2012 from 2008 levels, with $0.8/bbl due to energy efficiency project

---

1 Potential evolution balance Gasoil/kerosene (kbbpd) - Source: International Energy Agency
2 Assumes crude price at $65/bbl
TOWARDS A FULLY INTEGRATED R&M PORTFOLIO

- Integration of R&M activities very close to target
- Higher integration decreases volatility in earnings of the division
- Recent Iberian acquisitions crucial to higher integration, while diversifies geographical exposure
- Competitive advantage compared to independent refineries as exposure to external uncertain demand is materially lower

Sales to direct clients

- Target – 100%
- To be achieved:
  - Iberian acquisitions
  - 94%

Galp Energia
IMPORTANT DEFENSIVE CASH FLOWS SET TO INCREASE

Marketing EBITDA vs Ref. margin

- Marketing segment has been providing an important source of defensive cash flows, despite crude price volatility
- Iberian acquisitions will enhance further inflow of regular resources, whilst improving downstream network efficiency

AGIP & ESSO economics

- Unlock synergies and economies of scale within logistic costs and products supply
- 325 CO’s and 183 C-stores added
- Significant retail network expansion with 497 sites
- Increase integration of R&M activities with additional volumes of 3 Mln tonnes
- Expected annual EBITDA of €120 Mln from 2011 onwards

1 Corresponds to Galp Energia refining margin
STRONG GROWTH FROM R&M SEGMENT

- Capex mainly driven by the conversion project at Sines and Porto refineries
- Capex intensive stage in R&M leading to an asset base closer to ideal fit

**R&M Capex**

<table>
<thead>
<tr>
<th>Year</th>
<th>C Bln</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008-12</td>
<td>2.8</td>
</tr>
<tr>
<td>2009-13</td>
<td>2.2</td>
</tr>
</tbody>
</table>

**R&M EBITDA CAGR 2008-13**

- Incremental EBITDA due to Iberian acquisitions plus conversion and energy efficiency projects
- Biodesel project expected to provide €15 Mln of EBITDA in 2013

1. Benchmark refining margin: $0.70/bbl
2. Benchmark refining margin $1.34/bbl in 2013
Benchmark refining margin in 2008 of $2.04/bbl
• Current RAB NG distribution of €1,016, to increase with capex and inflation, with a ROR of 9%

• Current RAB NG underground storage of €17 Mln, to increase with capex and inflation, with a ROR of 8%

• Planned investment in both gas distribution network and underground storage will lead to increase in EBIT, which reached €88 Mln in 2008, in line with RAB growth

• International pipelines with a capacity of 3.7 Bcm/year and a stable annual earnings contribution of €40 Mln
NG SUPPLY VOLUMES DRIVEN BY POWER PROJECTS EXECUTION

- Flexibility to lock higher returns between gas and power value chains

- CCGT will allow to materialize value in natural gas contracts by arbitrage between gas trading and power generation margin

- Power portfolio responsible for 90% of NG supply volumes growth

- NG volumes expected to reach 7.1 Bcm by year 2013 from 5.6 Bcm in 2008, when EBIT in NG supply reached €86 Mln
EBITDA GROWTH MAINLY DRIVEN BY REGULATED CAPEX

• G&P capex translating the expansion of Power’s portfolio
• Capex of €330 Mln in regulated assets positively impacting RAB, hence implying a safe and predictable cash inflow growth

• Increase in NG volumes expected to reach 7.1 Bcm by year 2013
• Power to make around 40% of G&P EBITDA in 2013
E&P WILL GRADUALLY ASSUME THE MAIN ROLE IN CAPEX

- R&M capex concentrated on conversion project execution, as AGIP and ESSO networks were acquired in 2008, putting the R&M closer to ideal fit in terms of complexity and refining coverage.

- G&P capex to focus on regulated activities with predictable cash flows and on capture the gas to power margin.

- E&P capex includes the development of Tômbua-Lândana and Tupi pilot project.

- With more projects not yet sanctioned, the E&P will become the major capex growth area at Galp Energia.
GALP ENERGIA’s PORTFOLIO OFFERS SUBSTANTIAL GROWTH

- Execution of Tômbua-Lândana and Tupi pilot project responsible for more than double crude production

- Refining upgrade project and marketing integration boosting EBITDA of R&M division

- Predictable growth for Gas and Power regulated activities and as well for the NG Supply division fuelled by power projects

EBITDA CAGR 2008-13

CAGR >15%

CAGR 2007-12 >12%

2007 2008 2013
FINANCING AND LIQUIDITY
FUNDING NEEDS FOR 2009 SECURED

• Strong cash flow generation but not enough to cover capex programme needs

• Liquidity of €0.6 Bln, of which committed credit lines represent 65% of available facilities

• Financing needs in 2009 will be covered by additional debt:
  • EIB €500 Mln LT loan approved
  • Banking market to secure additional needs

• Flexibility in managing capex

Operating cash flow and liquidity

1 Based on LTM EBITDA deducted from taxes
SECURING FINANCING AFTER 2009

- Commitment to a strong and a trustable capital structure
- Different options being studied to balance capital structure and to secure financing after 2009
- Decision to be executed until 1Q 2010

Galp Energia overview

- Exploration & Production
  - Angola
  - Brazil
  - Others
- Refining & Marketing
  - Refining
  - Marketing
- Gas & Power
  - NG Supply
  - NG Regulated
  - Power
EBITDA growth above 15% supported by all business segments

Total resources of 4.1 Bln bbls, 3.3 Bln more than in 2007

Financing profitable growth is a good problem to have
CURRENT ENVIRONMENT TO BENEFIT SIMPLE REFINING MARGINS

- OPEC supply cut focus on heavy crude results in the lower spreads of heavy crude to light crude, thus benefiting relative higher exposure to light crude.

- Recent relative performance of simple refining margins has been stronger than of complex refining margins.

- The current environment benefits Galp Energia’s current refining assets complexity before conversion project becomes on-line.

**Spread Heavy /Light**

**Spread complex vs simple**

---

1 Source: Platts
2 Difference between Rotterdam cracking and hydroskimming refining margins - Source: Platts
INTEGRATED BIODIESEL PROJECT IS KEY

- Galp Energia’s integrated venture is positioned to match Portuguese legislation for 2010, which mandates a 10% use of biofuels

- Galp Energia is a natural player, with sourcing already secured from partnerships, thus benefiting from feedstock cost advantages

- Galp Energia set to produce hydrogenated biodiesel, a more efficient product than the actual FAME

Biodiesel economics

- Capex 2009-13 of €150 Mln in biodiesel plant and feedstock projects
- Estimated EBITDA of €15 Mln by 2013

2nd generation biodiesel

Components of 2nd generation biodiesel price

Feedstock: Jatropha
NATURAL GAS SOURCING CONFERS COMPETITIVE ADVANTAGE

- Current sourcing base, with 60% of LNG increases flexibility to explore trading opportunities as LNG demand-supply imbalance to expand in ML-term

- Galp Energia own consumption to reach 1.5 Bcm from 0.2 Bcm in 2008, fuelled by the start up of the CCGT in 2012, with a consumption of 0.9 Bcm

- Flexibility to lock higher returns between gas and power value chains

- NG volumes expected to reach 7.1 Bcm by year 2013 from 5.6 Bcm in 2008, when EBIT in NG supply reached €86 Mln
EXECUTING THE POWER PORTFOLIO

- Special regime with a granted tariff period of 15 years, benefiting from priority access to the grid
  - Cogeneration tariff of 105.23 €/MWh\(^1\), reduced by half of environment charge of €4.5/MWh, after 10 years of operation
  - Wind tariff of 70 €/MWh, adjusted annually with CPI, changing to market price plus green certificates after 15 years or 33 GWh/MW
- CCGT will allow to materialize value in natural gas contracts by arbitrage between gas trading and power generation margin
- Power portfolio responsible for 90% of NG supply volumes growth

---

### Added capacity (MW)

<table>
<thead>
<tr>
<th>Year</th>
<th>Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>80</td>
</tr>
<tr>
<td>2010</td>
<td>80</td>
</tr>
<tr>
<td>2012/2013</td>
<td>160</td>
</tr>
</tbody>
</table>

### Call option Gas & Power

Arbitrage between trading and power generation

---

\(^1\) Average sale price in 2008
Matters discussed in this presentation may constitute forward-looking statements. Forward-looking statements are statements other than in respect of historical facts. The words “believe,” “expect,” “anticipate,” “intends,” “estimate,” “will,” “may,” “continue,” “should” and similar expressions identify forward-looking statements. Forward-looking statements may include statements regarding: objectives, goals, strategies, outlook and growth prospects; future plans, events or performance and potential for future growth; liquidity, capital resources and capital expenditures; economic outlook and industry trends; developments of Galp Energia’s markets; the impact of regulatory initiatives; and the strength of Galp Energia’s competitors. The forward-looking statements in this presentation are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management’s examination of historical operating trends, data contained in Galp Energia’s records and other data available from third parties. Although Galp Energia believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Such risks, uncertainties, contingencies and other important factors could cause the actual results of Galp Energia or the industry to differ materially from those results expressed or implied in this presentation by such forward-looking statements.

The information, opinions and forward-looking statements contained in this presentation speak only as at the date of this presentation, and are subject to change without notice. Galp Energia does not intend to, and expressly disclaim any duty, undertaking or obligation to, make or disseminate any supplement, amendment, update or revision to any of the information, opinions or forward-looking statements contained in this presentation to reflect any change in events, conditions or circumstances.
Investor Relations
Tiago Villas-Boas
Tel.: +351 21 724 08 66
Fax: +351 21 724 29 65
E-mail: tiagovb@galpenergia.com
Website: www.galpenergia.com